

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

In the Matter of:	)	Sagebrush Cellular, Inc.
	)	P.O. Box 600
E911 Phase II Implementation Report	)	Scobey MT 59263-0600
	)	TRS Number: 805272
)	
CC Docket No. 94-102	)	Nemont Communications, Inc.
	)	P.O. Box 600
	)	Scobey MT 59263-0600
	)	TRS Number: 801563
)	
	)	Triangle Communication System, Inc.
	)	2121 Highway 2 NW
	)	P.O. Box 1230
	)	Havre, MT 59501-1230
	)	TRS Number: 818268

To: Wireless Telecommunications Bureau

**E911 PHASE II INTERIM REPORT,
REQUEST FOR LEAVE TO FILE A SECOND INTERIM REPORT
TO DETERMINE WHETHER WAIVER IS NECESSARY, AND
REQUESTS FOR CLARIFICATION**

Sagebrush Cellular, Inc., Nemont Communications, Inc., and Triangle Communication System, Inc. ("Carriers"),¹ by their attorney, hereby submit the *Interim Report* required by the Commission's *Order*, 20 FCC Rcd. 7709 (FCC 2005). In

¹ The Carriers utilize Sagebrush Cellular, Inc.'s switch and concur in the report and supplements. Sagebrush Cellular, Inc. and Nemont Communications, Inc. are affiliated companies; Sagebrush Cellular, Inc. holds cellular licenses and is currently providing analog and digital subscriber services. Sagebrush Cellular, Inc. provides management, billing, and other services to Triangle Communication System, Inc. Triangle Communication System, Inc. holds both cellular and PCS licenses and provides analog and digital cellular services using the cellular licenses and PCS services.

response to the Commission's request for interim information, the following is respectfully submitted:

As previously reported the Carriers have been unable to obtain quality handsets which are location capable to satisfy existing subscribers' demand for extended range in the rural areas served by the Carriers. The Carriers' shared experience is that the location capable handsets which are on the market do not have the range of non-location capable handsets. Consequently, subscribers either return location capable phones and demand ones that work for making telephone calls even if the location capability is lacking or subscribers keep existing handsets without being willing to try a location capable handset given the reduced range of those handsets. While this experience remains unchanged to a large extent, and it is the Carriers' understanding that handset manufacturers are not improving the coverage reliability of location capable handsets to account for service in large, sparsely populated rural areas, the Carriers continue to make progress in converting their subscriber base to location capable handsets.²

The Carriers operate in large, sparsely populated areas of rural Montana. Sagebrush Cellular, Inc. is authorized to provide cellular service in the following Montana Counties:

	2000 Census Population	Area in Sq. Miles	Population per square mile
Daniels	2,017	1,427	1.4
Roosevelt	10,620	2,370	4.5
Sheridan	4,105	1,706	2.4
Valley	<u>7,675</u>	<u>5,062</u>	<u>1.6</u>

² The *Order*, 20 FCC Rcd. 7709 ¶ 71 provides that the Carriers have until June 30, 2006 to obtain a 95 percent subscriber penetration rate.

Totals	24,417	10,565	2.475
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Triangle Communication System, Inc. is authorized to provide cellular service in the following Montana Counties:

	2000 Census Population	Area in Sq. Miles	Population per square mile
Blaine	7,009	4,239	1.7
Liberty	2,158	1,447	1.5
Phillips	<u>4,601</u>	<u>5,212</u>	<u>0.9</u>
Totals	13,768	10,898	1.36

The Counties served by the Carriers comprise a total of 21,463 sq. miles, have a combined 2000 Census population of 38,185 people, resulting in a combined population density of 1.9 people per square mile.³

Because the population in these large areas is very sparse the Carriers have constructed cellular systems with cell sites which are designed to cover the largest area possible. Unlike cellular systems in densely populated areas, frequency reuse and system congestion are not concerns which drive cell site construction. The Carriers have constructed a total of 29 sites to serve the counties discussed above. By way of contrast it is the Carriers' belief that the A Block cellular licensee in these counties has

³ The Commission considers a population density of 100 persons or fewer per square mile to be "rural areas" for purposes of wireless spectrum policies. *See Facilitating the Provision of Spectrum-Based Service to Rural Areas and Promoting Opportunities for Rural Telephone Companies to Provide Spectrum-Based Services; Biennial Regulatory Review Spectrum Aggregation Limits For Commercial Mobile Radio Services; Increasing Flexibility To Promote Access to and the Efficient and Intensive Use of Spectrum and the Widespread Deployment of Wireless Services, and To Facilitate Capital Formation; Report and Order and Further Notice of Proposed Rulemaking, (Rural Spectrum Order)*, 19 FCC Rcd. 19078 ¶ 2 (FCC 2004). As previously reported, the area covered by the Carriers is large, rural, and sparsely populated. There is much wide-ranging farmland and ranch land in the Carriers' service areas and many of those reluctant to switch handsets are farmers and ranchers who take their phones off road to remote work areas where they are far removed from other people in the event an emergency arises.

constructed 5 cell sites. To the extent that location capable digital phones are unuseable in portions of the Carriers' service area, owing to their poorer coverage performance compared to non-location capable handsets, the imposition of location capable handsets seems inimical to the public interest because the location compliant phones do not work at all in portions of the Carriers' service areas.

Large numbers of the Carriers' subscriber bases have not yet wanted to trade the larger service area currently provided for a smaller service area which has location capability. Here is a table showing the percentage breakdown of the Carriers' subscribers by handset unit type, as of January 26, 2005 which were reported in the Carriers February 2005 *Supplemental Report*:

	Non-GPS⁴	GPS Capable
Sagebrush Cellular, Inc.	48%	52%
Triangle Communication System, Inc.	59%	41%

The following are the penetration figures as of August 1, 2005:

	Non-GPS⁵	GPS Capable
Sagebrush Cellular, Inc.	38.5%	62.5%
Triangle Communication System, Inc.	40.75%	59.25%

Since early November 2004 the Carriers' new activations are 100% GPS capable handsets. However, the Carriers' had previously estimated that the change over rate for existing subscribers to change from non-location capable handsets to location capable handsets is on the order of 1.0% to 1.5% per month; an estimate which

⁴ The February 2005 *Supplemental Report* broke the non-GPS phones into analog and digital non-GPS. The figure presented here is a combined figure of the non-GPS phones.

⁵ The February 2005 *Supplemental Report* broke the non-GPS phones into analog and digital non-GPS. The figure presented here is a combined figure of the non-GPS phones.

comports with the penetration changes reported above. Accordingly, the area of concern is the requirement in the *Order* that the Carriers must achieve a 95 percent penetration of location-capable handsets among their subscribers by June 30, 2006. Given the current change out rate, it appears that 95% location capable penetration may not be achieved by June 30, 2006. Accordingly, the Carriers request leave to file a supplemental report by March 1, 2006 to provide updated information to the Commission and, if necessary, the opportunity to request a waiver at that time.⁶

None of the Carriers has received a Phase I or a Phase II location service request from a PSAP. The mobile switch has been upgraded with the necessary equipment to implement location capability. The carriers expect that location capability could be achieved within 180 of receiving a *bona fide* request pending resolution of data conversion issues. The Carriers are utilizing a handset based solution and 100% of all new activations are location capable.

REQUESTS FOR CLARIFICATION

Footnote 186 of the *Order* clarifies that the 95% penetration rate includes analog phones. However, it appears that there was no response to two requests for clarification. First, the Carriers renew their request for clarification as to whether service terminations must be made, in the absence of a waiver, to meet the 95% penetration requirement if subscribers do not wish to switch to location capable handsets. It would be possible to achieve compliance with a penetration rate by culling customers, but terminating service does not appear to be in the public interest because

⁶ Footnote 187 of the *Order* leaves open the possibility of obtaining a waiver if the circumstances warrant.

the disconnected subscriber still would not have location capability and would be left with no emergency service of any kind.

Second, in anticipation of eventually receiving a PSAP request for E911 Phase I and Phase II location service, the Carriers renew their request for clarification regarding the format of the location information which is to be transmitted to a PSAP. The Carriers' review of the Commission's orders did not reveal that there is a requirement to deliver the location information to a PSAP in any particular format. The Carriers' communications networks are currently capable of delivering caller ID and GPS location information to a requesting PSAP which information would be transmitted in the Carriers' Nortel switching equipment format. The Carriers request clarification that delivery of location information in that format complies with the requirement to deliver location/caller ID information to the PSAP as required by the Commission's rules.

WHEREFORE, because location capable handsets lack the range of non-location capable handsets, and because the Carriers operate in large, sparsely populated areas, and because Carriers have not received any requests for E911 service, it is respectfully submitted that the Carriers be permitted to file a supplemental report as of March 1, 2006, with the option of submitting a waiver request depending upon the circumstances which exist at that time. Furthermore, the Carriers request that clarify information be provided as requested.

Contact person responsible for this *Interim Report*:

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